

Anticipated Changes to Financial Sustainability Portion of Finance Strategic Plan

3/26/2010

2.2 Finance

Financial Sustainability

The SHARE budget has been developed for 2010-2013, the period of the Cooperative Agreement, which is attached as Appendix _____. A budget for long-term sustainability of SHARE is being developed based on the assumption of creating a public utility-type model that will blend public funding and private investment with user fees.

The Finance Workgroup has worked closely with both the Technical Infrastructure and Business and Technical Operations Workgroups to identify the exchange functionalities that SHARE is capable of providing which will also generate sufficient revenue to sustain the system's operations. Examples of these identified exchanges, which were developed including specific requirements of the Cooperative Agreement, Interim Meaningful Use Criteria and MMIS, are:

- Patient demographic information
- Patient vital information such as height, weight, BMI, smoking status, allergies, problem list/health issues, care providers
- Medication information to include prescriptions, refill requests, fill status, history and active medications
- Diagnostic testing information such as clinical laboratory orders and results
- Other structured clinical summary information
- Public health information such as immunizations
- Insurance type, ID, payer name, and payer contact information

These exchange functionalities may need to be amended or updated after Final Meaningful Use Criteria are finalized.

It is anticipated that the bulk of Cooperative Agreement funds will be spent over the first two years to provide these initial functionalities by the end of 2011. User-generated revenue is anticipated to begin approximately in January 2012, with those funds anticipated to cover operating expenses. Additional functionalities will be funded through public or private grants, additional private investment, or excess user fees.

Concerns and risks regarding financial sustainability of SHARE must be kept in mind. Some of these include:

- Inability to create business cases that prove financial value (return on investment, business value, cost savings) of SHARE's services to potential customers, partners, or investors
- Inability to obtain proper legislative support or approval for public utility-type model
- Inability to provide the technical services for which users are willing to pay fees
- Inability to provide SHARE's services on a timeline sufficient to generate positive operating revenue before Cooperative Agreement and State funding expires
- Development of a second HIE or HIE-type service, or open-source service(s), that may supplant SHARE prior to its full implementation

A comprehensive business plan for SHARE has been developed as part of the Operational Plan, and is included as Appendix ____.